

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**For the half-year ended 31 December 2009**

**C O N T E N T S**

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*This is annexure A of 12 pages referred to in Form 7051: Notification of half-yearly reports.  
These are UNAUDITED DRAFT reports, and are being audited as at the date of lodgement.*



Director

Dated this 15 day of May 2010

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**DIRECTORS' REPORT**

Your Directors submit the financial report of the Company for the half-year ended 31 December 2009.

**Directors**

The names of Directors who held office during or since the end of the half-year are:

*Arnold Bart Houwen (Chairman)*

*Michael Boyd Finn*

*Geoffrey Graeme Dunstan*

*Debra Anne Rule (Secretary)*

*Susan Jones*

*Bruce James Moriarty*

**Review of operations**

The focus of the Company's operations during the half-year was the operation of the Fremantle Community Bank<sup>®</sup> Branch of Bendigo and Adelaide Bank Ltd, pursuant to a franchise agreement.

**Auditor's declaration**

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* for the half-year ended 31 December 2009 is attached to the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director

*D. Rule*

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Dated this

*15*

day of

*March*

2010

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Fremantle Community Financial Services Limited® for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- a. the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. any applicable code of professional conduct in relation to the review.

**RSM Bird Cameron Partners**

**Chartered Accountants**

David Wall

Partner

Perth, Western Australia

Date:

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
<b>Revenue</b>	341,695	212,006
Employee benefits expense	(156,070)	(130,821)
Depreciation and amortisation expense	(28,534)	(31,467)
Finance costs	(20,240)	(18,601)
Other expenses	(138,460)	(107,938)
<b>Profit before income tax</b>	(1,609)	(76,821)
Income tax expense	-	-
<b>Profit for the period</b>	(1,609)	(76,821)
<b>Total comprehensive income for the period attributable to members</b>	(1,609)	(76,821)
<b>Earnings per share</b>		
Basic earnings per share (cents per share)	(0.22)	(10.4)
Diluted earnings per share (cents per share)	(0.22)	(10.4)

The accompanying notes form part of these financial statements

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009**

	31.12.2009	30.06.2009
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	39	39
Trade and other receivables	64,774	56,975
Other current assets	3,319	7,815
<b>TOTAL CURRENT ASSETS</b>	<u>68,132</u>	<u>64,829</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	65,236	89,727
Intangible assets	1,896	2,896
Other non-current assets	896	896
<b>TOTAL NON-CURRENT ASSETS</b>	<u>68,028</u>	<u>93,519</u>
<b>TOTAL ASSETS</b>	<u>136,160</u>	<u>158,348</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	73,728	52,953
Short-term financial liabilities	326,406	362,791
Short-term provisions	2,306	7,275
<b>TOTAL CURRENT LIABILITIES</b>	<u>402,440</u>	<u>423,019</u>
<b>TOTAL LIABILITIES</b>	<u>402,440</u>	<u>(264,671)</u>
<b>NET ASSETS</b>	<u>(226,280)</u>	<u>(264,671)</u>
<b>EQUITY</b>		
Issued capital	736,759	736,759
Retained earnings/(Accumulated losses)	(1,003,039)	(1,001,430)
<b>TOTAL EQUITY</b>	<u>(266,280)</u>	<u>(264,671)</u>

The accompanying notes form part of these financial statements

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	<b>Issued Capital</b>	<b>Retained earnings/ (Accumulated losses)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2008	736,759	(891,543)	(154,784)
Total comprehensive income for the period	-	(76,821)	(76,821)
<b>Balance at 31 December 2008</b>	<b>736,759</b>	<b>(968,364)</b>	<b>(231,605)</b>
Balance at 1 July 2009	736,759	(1,001,430)	(264,671)
Total comprehensive income for the period	-	(1,609)	(1,609)
<b>Balance at 31 December 2009</b>	<b>736,759</b>	<b>(1,003,039)</b>	<b>(266,280)</b>

The accompanying notes form part of these financial statements

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	333,896	202,477
Payments to suppliers and employees	(274,228)	(250,995)
Finance costs	(20,240)	(18,601)
Net cash provided by operating activities	<u>39,428</u>	<u>(67,149)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current assets	(3,043)	(980)
Net cash used in investing activities	<u>(3,043)</u>	<u>(980)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(36,385)	-
Net cash used in financing activities	<u>(36,385)</u>	<u>(68,129)</u>
Net increase/(decrease) in cash held	0	(68,129)
Cash and cash equivalents at beginning of period	39	(297,585)
<b>Cash and cash equivalents at end of period</b>	<u><u>39</u></u>	<u><u>(365,714)</u></u>

The accompanying notes form part of these financial statements

# **FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

## **Interim Financial Report**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

#### **NOTE 1: BASIS OF PREPARATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Fremantle Community Financial Services Limited<sup>®</sup> (the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

#### **Accounting Standards not Previously Applied**

The Company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

#### *Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

#### *Operating Segments*

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using the same measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

The financial report has been prepared on a going concern basis after consideration by the Directors of the following matter:

- (i) The Company is budgeting to return a profit within the next 2 to 5 years; and
- (ii) Bendigo and Adelaide Bank Ltd currently provides working capital by way of an overdraft facility to the Company. This facility is subject to standard commercial terms and conditions. Bendigo and Adelaide Bank Ltd supports, without making any legal commitment or incurring any legal responsibility, the business activities of the Company. Bendigo and Adelaide Bank Ltd believes, without making any



# **FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

## **Interim Financial Report**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

#### **NOTE 1: BASIS OF PREPARATION**

legally binding promise or representation, that the Company is unlikely to need any substantial additional financial support in order to continue to pay its debts as and when they fall due. Provision by Bendigo and Adelaide Bank Ltd of additional funding will be dependent upon the Company fulfilling its ongoing responsibilities under the Franchise Agreement and continuing to work closely with Bendigo and Adelaide Bank Ltd to further develop its business.

In consideration of the above matter, the Board of Directors believe that it is appropriate to adopt the going concern basis of accounting in the preparation of this financial report.

#### **NOTE 2: DIVIDENDS**

No Dividends were paid or provided for during the half year ended 31 December 2009 (or for the half year ended 31 December 2008).

#### **NOTE 3: OPERATING SEGMENTS**

##### **Types of products and services by segment**

The Company operates in the financial services sector as a branch of Bendigo and Adelaide Bank Ltd in Western Australia.

##### **Basis of accounting for purposes of reporting by operating segments**

###### *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

###### *Comparative information*

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

##### **Major customers**

The Company operates under the terms of a franchise agreement with Bendigo and Adelaide Bank Ltd, which accounts for all of the franchise margin income.

#### **NOTE 4: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

#### **NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the financial period that significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED**

**ABN 41 114 925 174**

**Interim Financial Report**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The accompanying financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



DIRECTOR

Dated this

15

day of

March

2010

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
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T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FREMANTLE COMMUNITY FINANCIAL SERVICES LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Fremantle Community Financial Services Limited ("the company") which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Community Financial Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

\*Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
ABN 36 965 185 036

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## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Community Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**RSM Bird Cameron Partners**  
**Chartered Accountants**

Perth, Western Australia

David Wall

Date:

Partner